

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CONOP-11

For: State and County Offices

Environmental Quality Incentives Program (EQIP) Contract Modifications Funding Procedure

Approved by: Acting Deputy Administrator, Farm Programs

Walter S. Dick

1 Overview

A

Background

Funding for EQIP contracts is year-specific which requires that allocations approved for any 1 particular FY be obligated during that same FY. When an EQIP contract is approved by the FSA County Committee, a specified amount of funds is obligated to the contract according to the agreement between the producer or producers and CCC.

The funds obligated to a contract originally cannot be increased; however, supplement funds may be applied to the contract, **after** the contract approval year, to address modifications required because of errors, omissions, appeals, or practice failures because of natural disaster.

B

Purpose

This notice:

- reissues procedure for funding contract modifications caused by errors, omissions, appeals, or practice failures because of natural disaster
- advises State Offices of the continuation of the policy that contract modification funds will be made available through a national contract modifications reserve on an as-needed basis
- provides the revised Contract Modification Request form to be used for all eligible contract modification requests.

Disposal Date	Distribution
July 1, 2001	State Offices; State Offices relay to County Offices and NRCS State Office

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2 Processing Contract Modification Funding

A

Establishment of National Contract Modification Reserves

A national contract modification reserve is established at the end of every FY to cover future contract modifications needs for contracts entered into during that FY. The process averts using current FY EQIP financial assistance funding to cover eligible prior FY contract modifications.

Refer to the EQIP manual, section 515.112, for policy on contract modifications that are eligible for funding from the reserve.

Note: The reserve for eligible FY 1997 contract modifications is depleted. Procedure for funding eligible FY 1997 contract modifications is being developed and will be issued in a future notice.

B

Revised Contract Modification Request Form

Exhibit 1 contains the revised Contract Modification Request form to be used for all requests for previous FY contract modification funding. Note that the State NRCS Program Manager must sign the form indicating that he or she has reviewed the request for funds and has verified that it is an eligible contract modification request. Also, note that column 1 of the exhibit now requires both the fund code and year for funds being requested.

C

Requesting National Contract Modification Reserve Funding

State Offices are required to:

- use Exhibit 1 for all requests for contract modification reserve funding
- batch-process contract adjustment requests eligible for additional funding
- **on a monthly basis**, submit the funding requests to the National Office for processing
- obtain the State EQIP Program Manager's signature and date on the revised contract modification request form before forwarding to the National Office.

The National Office shall allocate additional funds from the national contract modification reserve directly to the specific FY's and fund codes eligible for contract modification funds.

Continued on the next page

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2 Processing Contract Modification Funding (Continued)

D

State Office Action

State Offices shall:

- provide a copy to, and review this notice with, NRCS State Conservationist
- provide instruction to County Offices to promptly notify State Offices of any eligible contract modifications requiring additional funding
- on a monthly basis, identify and batch all requests for contract modification funds using Exhibit 1, and ensure that all requests have the signed concurrence of the NRCS Program Manager

Note: If the NRCS State Program Manager does **not** concur, do not forward the request to the National Office.

- **on the 1st working day of each month, submit, as needed, the request to the Director, Conservation Operations Division, NRCS, at FAX 202-720-4265**

Note: In situations where additional funds are necessary to make imminent payments, State Offices may request funds from the national contract modifications reserve immediately.

- allocate any contract modification reserve funds received from the National Office **directly** to the specific years and fund codes eligible for contract modification
 - ensure that applicable County Offices timely and accurately record contract modification allocations to appropriate fund codes.
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E

County Office Action

County Offices shall:

- provide a copy to, and discuss this notice with, NRCS
 - follow State Office instructions by promptly and regularly reporting any contracts requiring additional funds because of eligible contract modifications, according to the amended EQIP manual, section 515.112
 - based on contract modification allocations received from the State Office, promptly record adjustments to the appropriate ledgers
 - follow all other instructions in this notice.
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Revised Contract Modification Request Form

To: Director, COD, NRCS**Attn:** Tony Esser, NRCS
@ 202-720-4265 (FAX number)**From:** State Name: _____ FAX Number: _____**Date of Request:** _____

Fund Code/Year (1)	Contract Number (2)	Contract Modification Funds Requested (\$) (3)	Reason (4)
			Contract Modification <input type="checkbox"/> Error <input type="checkbox"/> Omission <input type="checkbox"/> Appeal <input type="checkbox"/> Practice Failure
			Contract Modification <input type="checkbox"/> Error <input type="checkbox"/> Omission <input type="checkbox"/> Appeal <input type="checkbox"/> Practice Failure
			Contract Modification <input type="checkbox"/> Error <input type="checkbox"/> Omission <input type="checkbox"/> Appeal <input type="checkbox"/> Practice Failure
			Contract Modification <input type="checkbox"/> Error <input type="checkbox"/> Omission <input type="checkbox"/> Appeal <input type="checkbox"/> Practice Failure

Concurrence by:_____
NRCS State EQIP Program Manager_____
Date